## TABLE OF CONTENTS

Introduction: The Road to Survival for the Japanese	•
Political Economy	11
1. The Crisis in the Japanese Political Economy	12
A. The Catch-up Policy-making System	13
B. Structural Changes in the World Economic System and	ł
Crisis in the Japanese System	14
2. Central Government Reforms in the 1990s	16
A. The 1990s Government Reforms in Historical	
Perspective	16
B. Problems Raised by the 1990s Government Reforms	17
C. By-processes of the Governmental Reforms	28
3. Prospects for Japan's Maturing Society	20
4. Asia-Oriented Trade and Diplomacy	21
Bibliography	24
PART ONE	
GLOBALIZATION, REGIONALIZATION AND DOMESTIC	
Policy-Making	25
Chapter 1. Revisiting the Japanese Policy Process in a Globalizing World: The State Affected by	
Societal Conditions	27
1. Introduction	27
2. Notions of Globalization: Variations and Contradictions	28
3. Globalization and Politics	31
4. The Myth of the Japanese "Developmental State"	35

5. The State as an Actor in Globalization: Passive	
or Active?	38
6. Conclusion	42
Bibliography	44
Chapter 2. A Transnational Approach to Policy-Making	
in Japan	49
1. What Does Globalization Mean to Various Sectors?	49
2. Internationalization in the 1980s within the Japanese	52
Banking Sector	
3. 'Competitiveness' of Japanese banks in the 1990s – the Consequence and Implication of the 1980s	5/
Internationalization	56
4. International Expansion of the Japanese Automobile	50
Industry	59
5. From Internationalization to Globalization: Production	
and the Market	62
6. Transnational Relations at Work in the Globalization	
of the Automobile Industry	64
7. Conclusion	68
Bibliography	71
Chapter 3. Regional Economic Block in East Asia	
<ul> <li>a Single Currency Unit</li> </ul>	77
1. Introduction	77
2. Political Economy of Yen block, Dollar block or	
Asian Currency Union	79
3. Readiness for Monetary Union in Asia	85
A. Economic Integration through Trade and Investment	87
B. Ability to Coordinate Macroeconomic Policy,	
"Complete Policy" Package	89
4. Benefits from a Single Currency Union	92
A. Benefits from Trade Expansion	93
B. Price Convergence	96
C. Financial Deepening	97

Table	of	Contents
	·	

5. Conclusion	99
Bibliography	125
Part Two	
Policy-Making in Changing Society	127
Chapter 4. The Role of Government in Building a	
Strategy for Industrial Development and	
Economic Growth – Japan's Experience	129
1. Japan's Attempts to Challenge a US-dominated	
World Economic System	129
A. Introduction	129
B. The Japanese Model	130
C. The Study	131
D. The World Bank	131
E. Free-market Economy vs Regulated Political Economy	134
F. Beliefs and Paradigms	135
G. The Resulting Text	136
H. How was the Study Received?	138
I. The Effect of the Study on the Economic Development	:
Strategy Debate	139
2. Learning about the Asian Economic Approach	140
3. Concluding Notes	145
Chapter 5. Japanese Environmental Politics:From	
Pollution Control to Global Environmental	
Protection	151
1. Industrial Pollution and Anti-Pollution Movement	153
2. National Politics of Environmental Protection	164
3. Grass-roots Action for Environmental Protection	170
4. Environmental Politics in 1997: COP3 in Kyoto	176
5. Japanese Environmental Protection Policy After Kyoto	182

6. From Pollution Control to Global Environmental	
Protection	186
Bibliography	190
Chapter 6. Social Policy in an Ageing Society:	
Confusion in the Reform Process and	
its Consequences	197
1. Introduction	197
2. Turning Point of Reform	200
A Logic of the Previous Social Welfare System	200
B Demographic and socio-economic changes	202
3. Uneven Reform Since the 1980s	204
A Trends of Reform	204
B Emergence of the New System for the Elderly	209
C Backlash against the reform	210
4. Spillover Effect on Socio-Politics	213
A Vitalisation of local politics	213
B Prosperity of Non-profit Organisations	218
C Activism of Voters	221
5. Conclusion	225
Bibliography	229
PART THREE	
POLITICAL-ADMINISTRATIVE REFORM AND PARTY GOVERNMENT	233
Chapter 7. National Political Reform in the 1990s:	
Political Revolution From Above	235
Introduction - Basic Features of the Political Reform in the	
1990s	235
1. Political Factors That Produced the Major Political	
Reforms	237
A. Generational Change in Conservative Party	
Leadership	238

B. The Hosokawa Coalition Government and	
the LDP in Opposition	239
C. LDP's Return to Power and the Birth of Major	
Administrative Reforms	240
D. Changes in the LDP-Bureaucrat Relationship	241
E. Hashimoto's Leadership	242
2. Institutional Reform From Bureaucratic Domination to Political Leadership and Its Limit	243
A. The Process of National Reform and	
Three Pillars of Administrative Reforms	243
B. The Reform of the Ministry of Finance and Its	
Restraint	247
C. The Reinforcement of Political Leadership and	
Its Problems	249
3. Political Leadership in National Reforms	255
A. Hashimoto's Strategy and Style	255
B. Political Strategy and Style of the Obuchi Cabinet	258
4. The New Frontier of National Reform	265
A. Degree of Decentralisation	266
B. Getting Rid of Bureaucratic Legal Interpretation	266
C. Reform of the Diet Convention	267
D. The Electoral System and the Reform of the	
House of Councillors	268
E. Door-to-Door Canvassing and the Anti-Corruption	
Law	269
F. Maximisation of Opportunities to Run for Election	270
G. From Bureaucrats to Politicians Then to People	271
Bibliography	273
Chapter 8. Who Governs: Party and Party	
Government	275
1. Introduction	275
2. Party Government	276

## 10 New Japanese Political Economy and Political Reform

A. Parties and the Bureaucracy	277
B. Parties and Government	281
3. The 2000 General Election	284
A. Overview	284
B. Visions	286
C. Issues	288
D. Ideologies	291
4. Distorted Party System in Japan	294
A. The decline of the leftist ideologies	295
B. Alternative cleavages for party realignment	297
5. The Crisis of Party Government	303
A. Support Mobilization	305
B. Leadership recruitment	307
C. Direct vs. Representative Democracy	310
D. Prospects	312
Bibliography <b>Notes</b>	315 <b>321</b>